

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 AEC-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-05 SP-02 SS-15 STR-04 TRSE-00 FRB-01 NSCE-00

AECE-00 PA-02 PRS-01 USIE-00 INRE-00 SSO-00 /094 W

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O 062121Z FEB 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 5589

INFO AMCONSUL CALGARY

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C O R R E C T E D C O P Y - T E X T

DELIVER EB/FSE BEFORE COB FEBRUARY 6

E.O. 11652: N/A

TAGS: ENRG CA US

SUBJECT: ENERGY: OIL EXPORT CHARGE

REF: (A) OTTAWA 426 (B) BUCHANAN-RAICHT TELECON, FEB 6

1. FOLLOWING IS FULL TEXT OF NATIONAL ENERGY BOARD (NEB)
PRESS RELEASE OF FEBRUARY 5 REGARDING CHANGES IN EXPORT
CHARGES FOR CRUDE AND HEAVY FUEL OILS:

BEGIN QUOTE.

THE MINISTER OF ENERGY, MINES AND RESOURCES, THE
HONOURABLE DONALD S. MACDONALD ANNOUNCED TODAY CHANGES IN
THE CHARGES ON LICENSED EXPORTS OF CANADIAN CRUDE OILS AND
EQUIVALENT HYDROCARBONS EFFECTIVE MARCH 1, 1975 AND AN
INCREASE OF 75 CENTS TO \$2.75 A BARREL IN THE CHARGE ON
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LICENSED EXPORTS OF HEAVY FUEL OIL, EFFECTIVE FEBRUARY 1,

1975.

THE NEW LEVELS FOR CRUDE OILS AND CONDENSATE
COMPARE AS FOLLOWS WITH THOSE NOW IN EFFECT:

	PER BARREL	
	MARCH	FEBRUARY
CRUDE OILS		
LLOYDMINISTER-TYPE STREAMS	\$4.40	\$4.10
DESIGNATED CRUDE OILS HEAVIER THAN 28DEGRESS API (OTHER THAN LLOYDMINISTER)	\$5.00	\$4.70
OTHER CRUDE OILS	\$5.50	\$5.20
CONDENSATE	\$5.20	\$5.20

MR. MACDONALD EXPLAINED THAT THE INCREASE OF 30
CENTS A BARREL IN THE CHARGES FOR CRUDE OILS REFLECTS
CHANGES WHICH HAVE BEEN OCCURING IN INTERNATIONAL
CRUDE OIL AND TANKER FREIGHT MARKETS OVER RECENT
WEEKS AND ALSO THE WEAKENING OF THE CANADIAN DOLLAR
IN TERMS OF UNITED STATES CURRENCY. HE POINTED OUT
THAT THE INCREASE IN THE CHARGE FOR LIGHT CRUDE OILS
IS THE FIRST WHICH HAS OCCURED SINCE THE CURRENT
LEVEL BECAME EFFECTIVE ON 1 JUNE 1974.

THE MINISTER SAID THAT THE INCREASE WAS NOT BEING
APPLIED IN THE CASE OF CONDENSATE AT THIS TIME;
PRODUCTION OF CONDENSATE IS NECESSARILY AT A MAXIMUM
DURING THE PERIOD OF PEAK WINTER DEMAND FOR NATURAL
GAS, WHEN SEASONAL REFINERY DEMAND FOR LIGHT LIQUID
FRACTIONS IS AT A MINIMUM.

THE LEVELS OF EXPORT CHARGE ON MOTOR GASOLINE
AND MIDDLE DISTILLATES REMAIN UNCHANGED FOR THE
MONTH OF FEBRUARY AT \$1.50 AND \$2.00 PER BARREL
RESPECTIVELY. END QUOTE.

2. EMBASSY COMMENT: WITH REGARD TO MATTER OF U.S.-
CANADIAN EXCHANGE RATE MOVEMENTS,NEB OFFICIAL CON-
FIRMED TO EMBOFF THAT THIS FACTOR HAS ALWAYS ENTERED
INTO NEB CALCULATIONS OF THE EXPORT CHARGE LEVEL,
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ALTHOUGH IT MAY BE THAT SUCH CONSIDERATION HAS NEVER
BEFORE BEEN EXPLICITLY STATED IN NEB OR EMR PRESS
RELEASES. ACCORDING TO NEB OFFICIAL, EXCHANGE RATE
IS WHOLLY PROPER CONSIDERATION IN ORDER TO SET EXPORT
CHARGE QUOTED IN CANADIAN DOLLARS AT A LEVEL WHICH
WILL BRING CANADIAN OIL PRICES UP TO CHICAGO PRICES
FOR IMPORTED OIL WHICH ARE QUOTED IN U.S. DOLLARS.
PORTER

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